



## Penalties and Exemptions

Under the Affordable Care Act (ACA), individuals must have Minimum Essential Coverage (MEC). This includes health coverage through kynect, job-based coverage, Medicare, Medicaid, Kentucky Children's Health Insurance Program (KCHIP), Veterans' coverage, and certain other coverage. There may be tax penalties for individuals who do not enroll in coverage.

You will not be penalized if you are enrolled in Medicare Part A or a Medicare Advantage Plan (Part C) or if you get coverage through your job. This means you do not have to sign up on kynect for another plan.



### What happens if I do not have health insurance?

Most Americans are required to have health insurance or pay a tax penalty. If you can pay for health insurance but do not have health insurance, you may have to pay a fee. You must also pay for the medical care for you and your family. If you do not pay the fee, the Internal Revenue Service (IRS) will take the fee from a future tax refund or they will impose a penalty when individuals file their taxes.

If you cannot pay for health insurance, you may qualify for payment assistance to help you pay the costs for you and your family. kynect also checks to see if you qualify for programs like Medicaid or the Kentucky Children's Health Insurance Program (KCHIP). These plans offer low cost or free health coverage.

### What is the penalty for not having health insurance?

You may have to pay a fine if you did not have health insurance for any part of 2015. For 2015, you may have to pay one of these amounts (whichever is higher): \$325 per person (\$162.50 per child under 18) up to \$975 for a family or 2% of your yearly income (over a set threshold). If you have additional questions about the amount of the penalty, you can check online with [IRS.gov/ACA](http://IRS.gov/ACA) or [healthcare.gov](http://healthcare.gov), or ask your tax preparer.



For more information, please visit us at [kynect.ky.gov](http://kynect.ky.gov) or call 1-855-4kynect



### How do I know if I don't have to pay the tax penalty?

If you do not have health coverage, you may not have to pay the penalty if you qualify for an Exemption. Exemptions are granted by the federal marketplace ([healthcare.gov](http://healthcare.gov)) or by the IRS. You can apply for some exemptions when you file your taxes by filling out IRS Form 8965.

Below are the types of exemptions and where you can get them:

Type of Exemption	Available Through:
Members of certain religious sects	Federal marketplace ( <a href="http://healthcare.gov">healthcare.gov</a> )
Short coverage gap	IRS
Certain noncitizens	IRS
Coverage is considered unaffordable	IRS
Household income below the return filing threshold	IRS
Members of federally-recognized Indian Tribes	Federal marketplace ( <a href="http://healthcare.gov">healthcare.gov</a> ) or IRS
Members of healthcare sharing ministries	Federal marketplace ( <a href="http://healthcare.gov">healthcare.gov</a> ) or IRS
Incarceration	Federal marketplace ( <a href="http://healthcare.gov">healthcare.gov</a> ) or IRS
Hardships	Federal marketplace ( <a href="http://healthcare.gov">healthcare.gov</a> ) or IRS, depending on which hardship exemption you claim

For more information about penalties and exemptions, you can go to [www.IRS.gov/aca](http://www.IRS.gov/aca) or use the [www.healthcare.gov/exemptions-tool](http://www.healthcare.gov/exemptions-tool).



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